

# Memorandum

---

To: George Strong  
CC: Governance Committee  
From: Bob May  
Date: 6/11/2003  
Re: 10 K Signature(s) 2003

---

George in reviewing the latest package of minutes sent out by Brad Hale, I read with interest the statements from Mr. Lamphron of E & Y from the March 15, 2002 minutes. I will not attempt to duplicate the minutes but simply paraphrase the comfort he gave the board, by stating that there were no Enron type issues or exposures. E&Y "focused heavily" on those types of items when evaluating our books.

Mr. Lamphron, gave the Board similar if not stronger assurances during our most recent meeting in Orlando, where the Board signed this years 10k. Many of us relied on the Audit Committee and Mr. Lamphron assurance when signing this document.

HEALTHSOUTH may not have "Enron" type issues. However, we did have some unusual charge offs relating to prior years/periods (in particular bad debt) that we were informed of at the 11<sup>th</sup> hour before our 4<sup>th</sup> Quarter earnings release.

My issue is simply this. What assurances can we have from E & Y that next year we will not have the same issues? Obviously, if we do the consequences would be disastrous.

I leave this question in your hands to handle as you deem appropriate.

CONFIDENTIAL  
TREATMENT REQUESTED

RM 0000388